Enterprise IT Financial Workgroup

Workgroup Meeting Minutes
May 26, 2016
1:00 p.m.
Mitchell Building – Room 53

Members Present:

Ron Baldwin, CIO/SITSD
Mike Bousliman, MDT
Becky Buska, Supreme Court
John Daugherty, COR
Tricia Greiberis, DNRC
Kiela Harris, COR
Larry Krause, DOC
Lisa Mader, Supreme Court
Kim Moog, DLI, Chair

James Schneider, SITSD
Jennifer Simmons, LEG
Dan Stanger, DOJ
Jennie Stapp, MSL
Cindy Trimp, DOR
✆ Sue Daly, FWP
✆ Teri Juneau, DOC
✆ Jay Phillips, OPI

Staff Present:

Jennifer Schofield
Noah Horan

Guests Present:

Amy Sassano, Gerry Murphy

Welcome and Introductions

Kim Moog welcomed the workgroup to the May 26, 2016 EITFW meeting. All members and guests were introduced.

Minutes

The workgroup reviewed and approved the April 28, 2016 Minutes.

SITSD Financial Update

James Schneider provided a financial update from the SITSD perspective. James has been putting a distribution list together that consists of anyone affected by SITSD's rate-setting process. He has found that the agencies and SITSD have not communicated as effectively as possible regarding which catalog items are affected by the IT Infrastructure Convergence Plan. SITSD has been reaching out directly to those who will be affected. Agencies can expect to be contacted by Audrey Hinman, Jerry Marks, or Irv Vavruska to set up either a face-to-face meeting or a phone call.

Q: Kim Moog: Who are they making contact with?
A: James: We are trying to make sure that both the technical and financial staff of each agency are getting contacted and are getting the same information.
Q: Kim: Can you remind me what SITSD is doing with their Customer Relations Managers?
A: James: Customer Relations Managers have been retitled to "Business Analysts," and they have been distributed directly to the Bureaus. They are working directly with the SITSD Bureau Chiefs to keep them on track.
Q: Kim: So we as agencies will be working with more than one Business Analyst?
A: James: In some cases, yes. Every Thursday morning all of SITSD's Bureau Chiefs meet with agencies, scheduled out by week so that each agency is meeting with SITSD once a month. All of the Bureau Chiefs are in one place for an agency to come and ask questions. So far, these meetings have been very successful.

Encompass has been opened up one more time. Once it closes, the SITSD FMSB staff will finalize everything in FY 2018, lock it down, and then open it back up on June 13, 2016 for agencies to input FY 2019 data. James will be giving an After-Action Report regarding Encompass and the rate-setting process during the next EITFW meeting.

James mentioned that his staff is working to keep up to date with what they call "rolling budget to actuals," meaning taking what an agency budgeted for and comparing those figures with what the agency is actually spending currently. These figures are available on SharePoint, current to February 2016 numbers. James hopes to have March and April's figures added soon. FMSB is looking into implementing two major system changes: replacing its billing system, and replacing its Financial Transparency Model (FTM) with a self-built system. The key differences will involve the elimination of SITSD billing clients, after which SITSD will be using the SABHRS clients instead. James will be working with agencies to be sure that what FMSB is creating is acceptable for everyone.

Business
Legislative Prep / Volume 10
Amy Sassano: During the last Legislative Session, there were a handful of agencies who participated in the IT Subcommittee. The agencies involved attempted to present their IT budgets without having a consistent definition of what constitutes an IT budget. One of the key things we came away with is the need for a consistent set of rules for defining an IT budget, and that those rules should be implemented in order to report on each agency's budget. Ron Baldwin committed to the subcommittee and the Legislature that we would come forward with a separate Volume of data, Volume 10, that gives an overview of agency IT spend.

This week, State Accounting sent out an email regarding the SABHRS query that will report on IT expenditures. There is a set of IT job codes that will say what positions we would count for IT budgets, and then there is an accounting policy that listed a set of IT expenditure reports that will say what expenditures we would include in that report as well. We will not include rent or office supplies or other things of that nature. It is up to the agencies to use those accounts as agreed upon consistently in order to have a consistent set of data. That report gives us one fiscal year of IT expenditures, in this case FY 2016.

The context and paradigm of how we build budgets going forward has changed, and so the starting point for development of the FY 2018 and 2019 budgets is not actual third-level expenditures. We are going to build a budget from an FY 2017 appropriation, which is at second- or first-level.

The challenge is that the Legislature wanted to see not only what IT expenditures were in a given year, but also a window of what IT budgets are. We need a mechanism to create or simulate IT budgets because we are not going to have them for FY 2017. There is not an automated way to create them. We at the Budget Office got a handful of agency folks together and talked through some of the options we had for simulating an FY 2017 budget. One option was to take whatever percentage the FY 2016 actual IT expenditures were, and carry that percentage forward. Everyone was uncomfortable with that option, and felt that it could come with a lot of inaccuracies, so the option that was agreed upon was that we are going to have to create it manually.

The fiscal staff in your agency are going to get a spreadsheet in September, and because this is not a statutory part of the budget request, we do not have to meet the September 1, 2016 deadline. In the spreadsheet, you will have all of your FY 2016 IT expenditure actuals, and we will have a picture of what was spent on IT positions and IT job codes in the personal services category. We will prepopulate based on the snapshot of your IT budget for FY 2017 IT positions. From there agencies will be asked to populate FY 2017 IT budget, and what you anticipate spending in those other expenditure categories for IT. We are providing the FY 2016 actuals that will hopefully allow you to avoid creating all of this data from scratch. Once you have filled that in, you are going to need to fund it. The IT budget needs to live within the FY 2017 budget you already have. If the budget for your agency as a whole is $100, then you cannot submit an IT budget for $150, because obviously you cannot spend more than you have.

We will then have by third-level expenditure account what your IT incremental budget requests are for FY 2018 and FY 2019, for either IT positions or IT purchases, and then we will add together that data from IBARS, along with the data that you populated in the FY 2017 budget spreadsheet that we sent out, to create an in-total FY 2018 and FY 2019 budget. We will move the data from Volume 1's IT section to Volume 10, and there will be a summary of HB 10 in Volume 10 to collectively present what the IT budget requests are for the agencies.

Q: Kim Moog: But it is not just going to be HB 2 data?

A: Amy: It will be data with a base: HB 2, non-appropriated proprietary funds, and statutory appropriations. We do not want to collect information on your budget amendments, your AAs, etc. I anticipate also that we will have some data about SITSD and their rates.

Q: Kim: Are we going to delineate that separately from other IT expenditures?

A: Amy: Not in this report. We have purposefully excluded SITSD's fund in the SABHRS query, so that those figures are not reflected twice.

The exact format of the spreadsheet that will come out in September is still a work in progress. We do not have any way of verifying what you put in that spreadsheet beyond ensuring that it does not add up to more than your entire budget for your agency. So we ask that you be reasonable and realistic about what you put in the spreadsheet, and make your best estimate. To my knowledge, based on conversations that Ron and I have had with the Legislative Fiscal Division staff, they will be recommending to the Legislative Finance Committee next week that there not be a separate IT subcommittee next session. The rates for SITSD will be discussed in the Section A subcommittee, and then to the extent that any of the individual subcommittees want to discuss individual IT budgets, at least the information that is provided will be consistent across all agencies.

Q: Becky Buska: So it is still thought that Volume 10 will be for information purposes only, and will not be what they appropriate from, correct?

A: Amy: Right, that is our intent.

Q: Mike Bousliman: Was Volume 10 requested by the LFC?

A: Amy: The Budget Office and SITSD both have statutory obligations to publish certain things in the budget, so from the Budget Office perspective we plan to now meet those statutory obligations through Volume 10. It was a commitment that Ron made to the Legislature that we would figure out a consistent way to report on what agencies were spending and budgeting for IT. It is out of our hands what the Legislature chooses to do with the information given. Legislative staff plans to recommend to them that it is an informational document and that the decision-making documents are business as usual for individual subcommittees. I think mostly the Legislature just wanted to get a sense of how much money is being spent on IT and what we are getting for it.

Service Decision Briefs / SharePoint Update

Jennifer Schofield asked if everyone had a chance to look at the Decision Brief (DB) template, which was posted to the EITFW website for review. The template is a fillable form, and has been in use by SITSD internally for the consideration of new processes, policy, service changes, etc. SITSD posts these to an internal SharePoint site. The template has now been amended to incorporate EITFW participation. After the Bureau Chiefs add their comments, the DB will be posted to the EITFW SharePoint site, at which time the participating agencies will have two weeks to add their comments. A link to the SharePoint is available on the EITFW website, and each time a new DB is posted, a notification will be emailed to all workgroup participants that includes a link to the SharePoint site.

Ron Baldwin: We want this to be a two-way process, so that EITFW is reviewing DBs, but also has the ability to initiate them. If there is a conversation in this workgroup that results in a change to a service, we can use this system to get the SITSD Bureau Chiefs involved and make the process much easier overall.

Adjournment
Next Meeting
June 30, 2016, 1:00 to 2:00 p.m.
Mitchell Building, Room 53

Member Forum
None.

Public Comment
None.

Adjourn
The meeting adjourned at 2:00 p.m.

Adopted June 30, 2016.